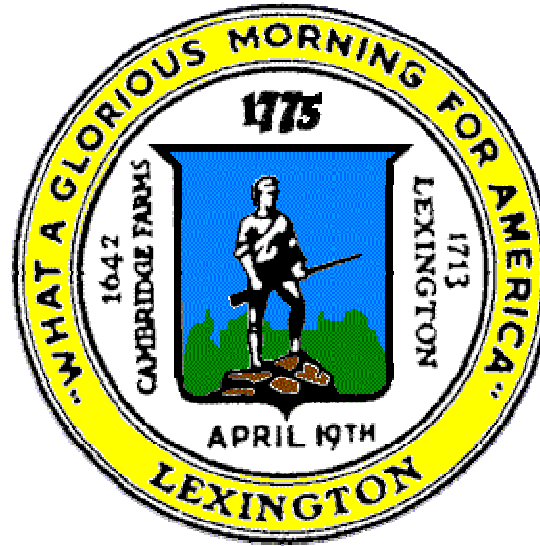


# *Town of Lexington*



## *FY 2017 Preliminary Budget & Financing Plan*

### *Financial Summit V*

*January 14, 2016*

Carl F. Valente, Town Manager  
Rob Addelson, Assistant Town Manager for Finance  
Patty Moore, Budget Officer  
And the  
Senior Management Team



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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# Municipal and School Departments: Operating and Capital Budgets



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Balanced Town Budget**



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### ***Key Recommendations:***

- Add \$5 million to Capital Projects Stab. Fund***
- Use \$751,000 from Capital Stab. Fund for within-levy debt service***
- Limit Program Improvement Requests***
- Defer Some Planned Capital Projects***
- Provide Contingency of \$983,000***



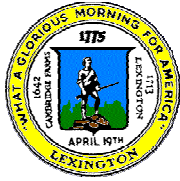
# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### General Fund Revenues

<b>Increase in Revenues Over Prior Year</b>	<b>\$ Chg.</b>	<b>% Chg.</b>
<b>FY 2017 Projected</b>	<b>\$ 5,416,902</b>	<b>2.8%</b>
<b>FY 2016 Budgeted</b>	<b>\$ 9,097,073</b>	<b>4.9%</b>
<b>FY 2015</b>	<b>\$ 4,797,252</b>	<b>2.7%</b>
<b>FY 2014</b>	<b>\$ 9,671,248</b>	<b>9.3%</b>
<b>FY 2013</b>	<b>\$ 7,273,503</b>	<b>4.8%</b>
<b>FY 2012</b>	<b>\$ 5,547,158</b>	<b>4.6%</b>



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### Future New Revenue Sources

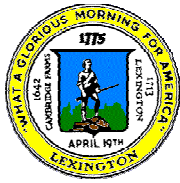
- Stormwater Management Fee
- Adjust Cemetery Burial Fee
- Adjust Parking Meter Fee for EV's
- Initiate Limited Tax Foreclosure Process
- Recognize Potential Hartwell Solar Revenues



*Town of Lexington*  
*FY 2017 Preliminary Budget & Financing Plan*

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Recommended FY2017  
Operating Budget



# *Town of Lexington*

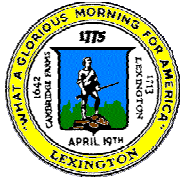
## *FY 2017 Preliminary Budget & Financing Plan*

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### **Financial/Budget Priorities**

- **Plan for Capital, Within Tax Levy and Exclude Debt**
- **Manage Operating Budget Increases**
- **Continue Funding of Post Employment Benefits Liability**
- **Continue Road/Intersection/Traffic Calming/Sidewalk Funding**
- **Continue Investments for Pedestrian Safety, per Article 45 Citizen's Petition Approved at the 2015 ATM**





# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### FY17 Budget Summary

	FY2016 Appropriated	FY2017 Recommended Budget	\$ Change	% Change
Lexington Public Schools	\$ 92,060,316	\$ 97,727,216	\$ 5,666,900	6.16%
Minuteman High School	\$ 1,172,736	\$ 1,493,400	\$ 320,664	27.34%
Shared Expenses	\$ 50,614,515	\$ 51,310,873	\$ 696,357	1.38%
Municipal Departments	\$ 33,594,270	\$ 34,621,920	\$ 1,027,650	3.06%
Cash Capital-Tax Levy and Free Cash	\$ 4,642,987	\$ 5,474,789	\$ 831,802	17.92%
Other	\$ 10,904,668	\$ 7,975,533	\$ (2,929,134)	-26.86%
Total - General Fund Only	\$ 192,989,493	\$ 198,603,731	\$ 5,614,239	2.9%
<i>LPS Recommended Budget for FY17 includes benefits for new proposed positions which, if approved, becomes a Shared Expense</i>				



# *Town of Lexington*

## *FY 2017 Recommended Budget & Financing Plan*

### Shared Expenses

Shared Expenses	FY2016 Appropriation	FY2017 Recommended Budget	\$ Change	% Change
Contributory Retirement	\$ 5,255,537	\$ 5,505,537	\$ 250,000	4.8%
Non-Contributory Retirement	\$ 13,810	\$ 13,837	\$ 27	0.2%
Employee Benefits	\$ 25,250,981	\$ 25,816,987	\$ 566,006	2.2%
Unemployment	\$ 200,000	\$ 200,000	\$ -	0.0%
Workers Compensation	\$ 643,112	\$ 736,002	\$ 92,890	14.4%
Property & Liability Insurance	\$ 860,309	\$ 675,952	\$ (184,356)	-21.4%
Uninsured Losses	\$ 200,000	\$ 225,000	\$ 25,000	12.5%
Debt Service <sup>1</sup>	\$ 7,212,135	\$ 7,244,443	\$ 32,308	0.4%
Reserve Fund	\$ 900,000	\$ 900,000	\$ -	0.0%
Facilities Department	\$ 10,078,631	\$ 9,993,116	\$ (85,515)	-0.8%
<b>Total</b>	<b>\$ 50,614,515</b>	<b>\$ 51,310,873</b>	<b>\$ 696,358</b>	<b>1.4%</b>

*1 This is gross debt service, excluding any use of the Capital Projects Stabilization Fund to offset the High School Modularity debt service.*



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Reserve Recommendations**

- **Post-Employ. Benefits Fund \$ 1,512,318**
  - Current Balance \$6.98 million
- **Capital Stabilization Fund \$ 4,996,947\***
  - Current Balance : \$16.6 million

*\*Net Amount. Assumes \$751,000 Appropriated from CSF*



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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# Capital Budget



# Town of Lexington

## FY 2017 Preliminary Budget & Financing Plan

### CAPITAL BUDGET - ALL FUNDS <sup>1</sup>

	FY12	FY13	FY14	FY15	FY16	FY17
General Fund Debt	\$ 5,070,678	\$ 4,709,830	\$ 7,424,482	\$ 12,999,656	\$ 11,649,025	\$ 6,672,507
Water Debt/Cash Capital	\$ 145,100	\$ 965,500	\$ 1,095,500	\$ 1,166,500	\$ 1,015,500	\$ 220,500
Sewer Debt/Cash Capital	\$ 1,300,000	\$ 1,340,500	\$ 1,445,500	\$ 1,840,500	\$ 2,590,500	\$ 1,945,500
Recreation Enterprise Capital	\$ 165,000	\$ 46,000	\$ 261,750	\$ 240,000	\$ 261,500	\$ 65,000
Compost Revolving Fund	\$ 117,000	\$ 325,000	\$ -	\$ -	\$ 190,000	\$ -
Cash Capital/Other Available Funds	\$ 2,382,174	\$ 3,697,326	\$ 5,515,202	\$ 5,138,114	\$ 4,827,405	\$ 5,474,789
State Grant Funding <sup>2</sup>	\$ 1,113,000	\$ 1,187,638	\$ 924,164	\$ 1,161,925	\$ 961,105	\$ 7,523,165
<b>Total</b>	<b>\$ 10,292,952</b>	<b>\$ 12,271,794</b>	<b>\$ 16,666,598</b>	<b>\$ 22,546,695</b>	<b>\$ 21,495,034</b>	<b>\$ 21,901,461</b>
CPA-Town Projects Only	\$ 1,161,863	\$ 2,020,851	\$ 12,185,500	\$ 9,705,875	\$ 1,639,611	\$ 667,000

<sup>1</sup> Excludes privately funded capital projects

<sup>2</sup> For FY17, includes Mass. Ave. intersection project and Chapter 90 funding



# Town of Lexington

## FY 2017 Preliminary Budget & Financing Plan

Total Levy Supported Debt Service		
	Amount	Chg. Prior Yr.
FY11 Actual	\$ 4,669,173	
FY12 Actual	\$ 5,002,111	7%
FY13 Actual	\$ 5,269,343	5%
FY14 Actual	\$ 5,409,996	3%
FY15 Actual	\$ 5,811,641	7%
FY16 est. <sup>1</sup>	\$ 6,111,960	5%
FY17 proj. <sup>2</sup>	\$ 6,420,273	5%
FY18 proj. <sup>3</sup>	\$ 7,525,560	17%
<sup>1</sup> net of \$620,567 in debt service mitigation for H.S. Modulares		
<sup>2</sup> net of \$751,000 in debt service mitigation for H.S Modulares		
<sup>3</sup> An estimated \$785,000 in debt service mitigation would be necessary to reach the target increase of 5% increase in debt service		



# Town of Lexington

## FY 2017 Preliminary Budget & Financing Plan

Free Cash, Tax Levy, and Other Available Funds			
	Free Cash	Tax Levy/ Other	Total
<b>FY10</b>	\$ 850,000	\$ 695,719	\$ 1,545,719
<b>FY11</b>	\$ 1,270,000	\$ 713,112	\$ 1,983,112
<b>FY12</b>	\$ 1,370,000	\$ 1,012,174	\$ 2,382,174
<b>FY13</b>	\$ 1,467,315	\$ 1,849,011	\$ 3,316,326
<b>FY14 *</b>	\$ 4,474,222	\$ 4,446,526	\$ 8,920,748
<b>FY15</b>	\$ 1,975,000	\$ 3,983,117	\$ 5,958,117
<b>FY16</b>	\$ 2,190,082	\$ 2,452,905	\$ 4,642,987
<b>FY17</b>	\$ 2,760,625	\$ 2,714,164	\$ 5,474,789
<b>FY17-16 \$ Chg.</b>	\$ 570,543	\$ 261,259	\$ 831,802
<b>FY15-16 % Chg.</b>	38.9%	14.1%	25.1%

*\* includes Free Cash used toward Community Center Purchase.*



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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Total Proposition 2 1/2 Excluded Debt Service			
	Gross Excluded Debt Service	General Fund/Debt Service Tax Relief	Net Excl. Debt Service
FY12	\$ 5,751,833		
FY13	\$ 6,599,081	\$ 400,000	\$6,199,081
FY14	\$ 8,527,654	\$ 1,600,000	\$6,927,654
FY15	\$ 8,373,222	\$ 950,000	\$7,423,222
FY16	\$ 8,539,697	\$ 215,000	\$8,324,697
FY17	\$ 8,998,575	\$ -	\$8,998,575





# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Significant Capital Projects-General Fund**

- **Fire Ladder Truck** **\$ 875,000**
- **Center Streetscape** **\$2,700,000**
- **Road Improvements/Construction** **\$2,525,835**
- **Sidewalk Improvements** **\$ 600,000**
- **Cary Library Sidewalk** **\$ 149,500**
- **Pleasant Street Sidewalk** **\$ 175,000**
- **School Technology** **\$1,198,000**
- **Municipal and School Maintenance** **\$1,514,249**



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Significant Capital Projects-Consider for Excluded Debt**

- **LHS Heating-Design**                      \$    500,000
- **Hastings School Design**                \$ 1,500,000
- **Diamond M.S. Renovations**          \$44,541,900
- **Clarke M.S. Renovations**              \$21,264,100
- **20 Pelham Rd. Purchase**                \$            TBD
- **20 Pelham Rd. Access**                 \$    150,000



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Capital Projects Recommended for Deferral**

Hartwell Ave. Transp. Improve.	\$ 75,000
Fire HQ Exercise Room	\$ 80,000
Phone System-Phase V	\$ 203,000
School Paving Program	\$ 153,750
Visitor's Center	\$ 3,000,000
School Traffic Improvements	\$ 203,800
Mechanical/Electrical Systems	\$ 423,500
LHS Guidance Space Mining	\$ 138,000
LHS Nurse's Office	\$ 161,000
Building Resiliency Plan	\$ 50,000
LHS Visual Arts Sinks	\$ 32,729
Hastings Air Conditioning	\$ 74,650
Sidewalk Improvements	\$ 200,000
Hartwell Ave. Compost Site Imp.	\$ 200,000
Westview Cemetery Building Asses	\$ 270,000
Parking Lot Improvements	\$ 100,000
Staging for Special Events	\$ 60,000
Total	\$ 5,425,429



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Continuing Policy Issues**

- **Planning for Large Capital Projects**
- **Continued Use of Capital Stabilization Fund**
- **Appropriation to Capital Stabilization Fund**
- **Continued OPEB Funding**
- **Sufficient Reserve for Contingencies**
- **Potential New Revenue Sources**



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Summit Financial Priorities**

- **2005-2010:** Building Operating Reserves
- **2010-2015:** Invest/Address Deferred Maintenance in Existing Buildings and Roads
- **2014-2016:** Community Center: Purchase and Programming
- **2015-2020:** Planning and Implementation for Significant Capital Projects due to School Enrollment Growth



# *Town of Lexington*

## *FY 2017 Preliminary Budget & Financing Plan*

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### **Next Steps**

#### **Staff to:**

- Respond to questions on Operating and Capital Budget
- Develop Capital Projects Financing Model for Selectmen/Summit
- Assist the Board with Policy Issues
- Transmit budget to financial committees/town meeting members-  
**February 29**

#### **School Committee:**

- Vote Final Recommended Operating and Cap. Budget – **Feb. 9**

#### **Selectmen to:**

- Approve Final Recommended Operating and Cap. Budget – **Feb. 22**